

MINUTES  
PAGE COUNTY BOARD OF SUPERVISORS  
BUDGET WORK SESSION  
MAY 11, 2010

All Members Present:     Johnny Woodward, Chairman, At-Large  
                                     Larry A. Sours, District 2  
                                     J. D. Cave, District 3  
                                     Jeff Vaughan, District 5

Absent:                         Robert Griffith, District 1

Staff Present:                Dr. Thomas Cardman, County Administrator  
                                     Amity Moler, Finance/HR Director  
                                     Henry Mikus, Director of Public Works  
                                     C. R. Suddith, Treasurer  
                                     Charlie Campbell, Commissioner of the Revenue  
                                     Regina Miller, Executive Secretary

Media & Others Present:   Ben Weathers, *Page News & Courier*  
                                     10 County Employees & Citizens

**Call to Order:**

Chairman Johnny Woodward called to order the budget work session of the Page County Board of Supervisors on May 11, 2010 at 7:00 p.m. in the Board of Supervisors Room, located in the Courthouse, noting a quorum was present.

**Discussion of Board Member Appointment:**

Chairman Woodward informed that eight individuals have expressed an interest in the District 4 Supervisor vacancy: Darrell Short, Terry Bolyard, Roger Dovel, Paul Price, Geraldine Cubbage, Raymond Kite, Ralph Mowry, and Richard Kibler. He said the District 4 Republican Committee has recommended Terry Bolyard to fill the seat. He then asked what procedure the Board would like to proceed with to fill the vacancy and interviewing the candidates.

Supervisor Vaughan suggested the individuals be invited to an open forum with the Board and present why they feel they would be the best asset for that position.

Supervisor Cave mentioned that this could be placed on the May 18<sup>th</sup> agenda after the regular business of the Board. He also suggested that the Board come up with a point system as a way of selecting an appointee, and rating each candidate on a scale of 1 to 4.

After discussion, it was the consensus of the Board to schedule the interviews for the May 18<sup>th</sup> regular meeting and to rate the candidates based on a point system.

**Payment of the Revenue Anticipation Note:**

C. R. Suddith, Treasurer, reminded the Board that a revenue anticipation note was secured in October 2009. He said that usually bond documents allow the Treasurer to pay off obligations as they mature, without waiting for Board action. Since the note does not have to be paid off until June 30<sup>th</sup>, he would like the Board to give him permission to pay off the note as soon as he and Dr. Cardman determine the County is financially able to do so. He noted that this will save the County money on paying interest on the note.

**Motion:**

Supervisor Vaughan moved to allow the Treasurer to pay off the revenue anticipation note as promptly as the funds are available to do so. Supervisor Cave seconded and the motion carried by a vote of 4-0. Aye: Sours, Cave, Vaughan, Woodward.

**Discussion of the FY 2010-2011 Budget:**

Dr. Cardman presented the Board with a sample budget public hearing advertisement, outlining the format the hearing will be publicized for June 1<sup>st</sup>. He said by the end of the week the Board will need to have advised him on the budget approved for public hearing. He then reviewed a sketch he prepared for discussion of the budget, planning for 2011 and forward. In the 2011 operating budget, he said if the Board were to decide to accept the budget they have been discussing up to this point, then there would be \$350,000 extra on the bottom line. The funding for the 2011 Capital Improvements Plan (CIP) requests of \$1.7 million has not yet been decided on by the Board. The current balance in the office building fund is \$2.1 million. The general fund balance at 20% would be \$6.1 million and \$5.8 million at 15%. When looking at these activities, a decision has to be made on the operating budget, which contains conservative projections on several budgets the Board does not have control over, such as Comprehensive Services Act (CSA) and Social Services. He explained that the primary needs in the CIP include a new cell at the landfill, which must begin construction in fiscal year 2011. Dr. Cardman stated that of the \$1.7 million requested for CIP, he deducted \$400,000 for the Stanley Landfill well, meaning this could be delayed until the following year, leaving \$1.3 million, which could be funded from the office building fund. He did not suggest that borrowing from the general fund balance next year due to the close projections on the bottom line and the required 15% to 20% required to be maintained in the fund. If the office building fund were used to fund the CIP it would reduce the fund to approximately \$800,000. This amount may need to be transferred to the general fund balance if the 15% to 20% projection is not met.

Next, Dr. Cardman explained that new assessments will go into effect January 1, 2011. Hypothetically, he assumed that the result of the assessment could be a 10% reduction on half of the fiscal year 2011 revenue, which could equate to \$800,000. There would then be the potential need for a tax increase to remain revenue neutral in 2011 from \$0.04 to \$0.06. Looking to fiscal year 2012, with a \$0.04 to \$0.06 tax increase, this budget would not be able to support the CIP requirements, unless there is an additional tax increase. As the Board reviews the operating budget for 2011, the operating budget decision affects the other decisions that will follow from this one decision. Early during

fiscal year 2011, there will likely be the need to secure another revenue anticipation note, which is affected by the size of the general fund.

Supervisor Vaughan remarked that the landfill is costing each month and until the Board comes up with a method for it to be self-supporting, then the County is faced with that deficit. He feels that the Board needs to come up with a plan for the landfill to pay for itself. The volume needs to be increased in order to justify the return on investment. It is a debt trap and it needs to change. Discussion then ensued among the Board, Henry Mikus, and Dr. Cardman regarding the ongoing costs of landfill operations, tonnage, and revenue possibilities. It was noted that Mr. Mikus was previously given instruction from the Board to actively pursue landfill customers.

Dr. Cardman then explained the economic development budget. He noted that this budget from fiscal year 2010 to 2011 has been reduced 22.26%. It has three elements: 1) grants for job creation/retention, 2) support of the department, and 3) \$19,000 of support for the Economic Development Authority. Supervisor Cave remarked that his take on economic development is to keep the incentive grants in place and eliminate everything else. He said economic development can be accomplished in other ways, such as through the Chamber of Commerce. Dr. Cardman responded that the Chamber is not situated properly to handle economic development, according to their charter, mission statement, staffing, or direction in the community. Their primary mission is a tourist/economic development organization. The small programs they have accomplished for economic development have all been brought to them by the County's economic development office. He highlighted that the Chamber does not have the capacity to generate \$3.6 million in grants that the economic development office has generated in the past four years. Also, when looking around the state at other Chamber offices, they do not fill that mission. Every county in the state has economic development efforts, either through EDA's or EDA offices; they do not use Chamber offices.

Dr. Cardman outlined that the County Administrator's budget appears to have a 11.18% increase. The primary reason is because the flexible cut of \$264,000 imposed by the state and required to be paid to the state, is included in this budget. He said the total reduction in the County budget is 13.7% from 2010. The total reduction in local share in the Version C document is 6.4%. The overall reduction in the state's share to all departments is about 17%, so the County has absorbed some of that reduction into our local share. This Version C document is a balanced budget with an approximate \$350,000 on the bottom line. He did not recommend taking the \$350,000 and assigning it to the CIP.

Discussion then turned to the Economic Development Authority. The job incentive/retention is about \$142,000 in the budget. It was the consensus of the Board, to leave this item in the budget. Dr. Cardman then reviewed the operational support for the economic development department and Economic Development Authority. The \$19,000 budgeted for the EDA pays for legal counsel, advertisements, and meeting stipends to members. The dues for the Shenandoah Valley Partnership in the amount of

\$16,000 are paid from the economic development dues and association memberships. Supervisor Cave remarked that this could be eliminated. Dr. Cardman indicated that a lot of work has been accomplished over the past four years to get into the organization and we can get out. Supervisor Vaughan asked what the County has received in return on that investment. Dr. Cardman replied that their assistance with the \$75,000 Virginia Governor's Opportunity Grant for Shenandoah Waste Services has produced 36 jobs, \$300,000 Governor's Opportunity Grant for Premier Technical Services, the Fibrowatt project was brought to the County for consideration, although the County decided they did not want the project. The Partnership will also participate with opportunities in the future. He said it is rare for a County to proceed in economic development endeavors alone, but it is possible. However, he did not recommend dropping participation in the Partnership. Supervisor Cave reminded the Board of a recent letter received from Mr. Robin Sullenberger that pointed out Page County's "sketchy" past. He felt that the County does not need that kind of meddling from somebody the County is giving \$16,000 a year to. Supervisor Vaughan commented that in light of the current economic conditions and the cuts made in other areas, and if the opportunity exists in the economic development department this would be an area he would recommend to cut next fiscal year because there are other ways of communicating with the Partnership. Dr. Cardman stated that the four-year overview for economic development includes the Partnership's participation. He said that \$500,000 has been invested in the economic development department over the last four years and the return on the investment was \$7.32 for every \$1.00 invested.

Supervisor Sours mentioned that the Partnership had close contacts with Richmond and with presenting Fibrowatt to Page County. The Partnership pulls a lot of weight in Richmond. When Page County is desperate for business to locate here, it does not hurt to have assistance with the Partnership.

Supervisor Vaughan commented that he understands both sides of the issue but he is looking at where the opportunities are to cut in the economic development department. He does not like to cut the communication stream and the lobbyist potentials off because when they present business opportunities, it is ultimately the Board's decision as to whether or not they want the opportunity. The source of communication is necessary but he asked what other due diligence can be performed from the staff level without paying a fee, because the method of communication today is different than what it was 10-15 years ago.

Supervisor Vaughan then noted that the only other area the Board has concern with is the information technology (IT) department. Dr. Cardman stated that the proposed IT budget is a large budget. The budget includes the County's IT budget along with the Sheriff's and combined them into one budget, which shows a 28% increase, but is actually a \$60,000 decrease from those two areas in the current year. They are spending a lot of money in this area, but there are significant issues to undertake. Supervisor Vaughan mentioned that the hardware and equipment in the County is in such poor shape but there are not any other options, even though it is happening at the wrong time because of budget constraints. The systems need to be compatible, not

only from an operational standpoint but a security standpoint. The level of security has to change as well as the method of standardization with the users. He said that the Board needs to move forward with the budget reductions for fiscal year 2011 as previously discussed by the Board.

Dr. Cardman noted that the Board also needs to determine whether or not they will fund the CIP and the amount. After discussion, the Board decided to meet on May 13<sup>th</sup> to finalize the budget for advertisement and public hearing.

**Adjourn:** 9:12 p.m.

With no further business, Chairman Woodward adjourned the meeting.

  
Chairman